

of the two Houses thereon, and appoints Mr. PASTORE, Mr. HOLLAND, Mr. HAYDEN, Mr. RUSSELL, Mr. ELLENDER, Mr. McCLELLAN, Mr. MONRONEY, Mr. BARTLETT, Mr. YOUNG of North Dakota, Mr. SALTONSTALL, Mr. MUNDT, and Mrs. SMITH to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 11812. An act making appropriations for foreign assistance and related agencies for the fiscal year ending June 30, 1965, and for other purposes.

Bill File COMMITTEE ON FOREIGN AFFAIRS

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until midnight to file a conference report on the bill H.R. 11380.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. HALLECK. Mr. Speaker, I am not sure that I heard the request altogether. May I suggest that the gentleman also ask unanimous consent that if the report cannot be filed until tomorrow, it be in order to take it up tomorrow.

Mr. MORGAN. Mr. Speaker, I ask unanimous consent that if the report is not filed by midnight, it be in order to take it up tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. GROSS. Reserving the right to object, Mr. Speaker, I would think that that last motion or request could be taken up tomorrow rather than tonight. I would be constrained to object to the second request. Let us see how things move tomorrow.

Mr. HALLECK. Mr. Speaker, will the gentleman yield to me?

Mr. GROSS. Yes, I am glad to yield to the gentleman from Indiana.

Mr. HALLECK. I must say that I am very sorry that the gentleman has seen fit to interpose an objection.

I have discussed this matter with many people interested in it on the Foreign Affairs Committee and many people who are interested in disposing of the matter so that we can expedite the adjournment of the Congress.

If the gentleman insists on his objection—of course, that is his right—I am sorry he has seen fit to do so.

Mr. GROSS. Mr. Speaker, let the RECORD show that I did not say that I would object tomorrow to the same kind of request, but I do object to the request tonight, Mr. Speaker, to the second part of the request which was made.

The SPEAKER. Objection is heard. That is the part of the request for which unanimous consent is pending before the House.

CONFERENCE REPORT (H. REPT. NO. 1925)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, having met, after full and free con-

ference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 1, 3, 4, 9, 10, 11, 13, 14, 16, 18, 19, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 34, 36, 37, 38, 41, 45, 46, 47, 48, 49, 50, 51, 53, 54, 55, 56, 57, 58, and 60.

That the House recede from its disagreement to the amendments of the Senate numbered 6, 7, 33, 44, and 52, and agree to the same.

Amendment numbered 2:

That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"TITLE I—DEVELOPMENT LOAN FUND

"Sec. 101. Section 201(d) of the Foreign Assistance Act of 1961, as amended, which relates to the Development Loan Fund, is amended as follows:

"(a) Strike out 'Foreign Assistance Act of 1963' and substitute 'Foreign Assistance Act of 1964'.

"(b) Strike out '2 per centum' and substitute '2½ per centum'.

"(c) Strike out 'three-fourths of 1 per centum' and substitute '1 per centum'."

And the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "102;" and the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "103;" and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "104;" and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "105;" and the Senate agree to the same.

Amendment numbered 17: That the House recede from its disagreement to the amendment of the Senate numbered 17, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "106;" and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment, as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "108;" and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment, as follows:

Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert to following: "108;" and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with amendments as follows:

On page 8, line 2, of the Senate engrossed amendments strike out "(e)" and insert: "(g)"

On page 8, line 5, of the Senate engrossed amendments strike out "articles" and insert: "article having a value in excess of \$100,000"

On page 8, line 16, of the Senate engrossed amendments strike out "articles" and insert: "article"

And the Senate agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment, as follows: On page 10, line 2, of the Senate engrossed amendments strike out "(b)" and insert: "(a)"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"(d) Amend subsection 620(e), relating to expropriations and other similar matters, as follows:

"(1) After '(e)' insert '(1)'.

"(2) Redesignate subparagraphs (1), (2), and (3) of the first paragraph as subparagraphs (A), (B), and (C), respectively.

"(3) Strike out 'paragraphs (1), (2), or (3)' and substitute 'subparagraphs (A), (B), or (C) of paragraph (1)'.

"(4) At the end of such subsection add the following new paragraph (2):

"(2) Notwithstanding any other provision of law, no court in the United States shall decline on the ground of the Federal act of state doctrine to make a determination on the merits giving effect to the principles of international law in a case in which a claim of title or other right is asserted by any party including a foreign state (or a party claiming through such state) based upon (or traced through) a confiscation or other taking after January 1, 1959, by an act of that state in violation of the principles of international law, including the principles of compensation and the other standards set out in this subsection: *Provided*, That this subparagraph shall not be applicable (1) in any case in which an act of a foreign state is not contrary to international law or with respect to a claim of title or other right acquired pursuant to an irrevocable letter of credit of not more than 180 days' duration issued in good faith prior to the time of the confiscation or other taking, or (2) in any case with respect to which the President determines that application of the act of state doctrine is required in that particular case by the foreign policy interests of the United States and a suggestion to this effect is filed on his behalf in that case with the court, or (3) in any case in which the proceedings are commenced after January 1, 1966."

And the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(e)"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows:

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Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(f)"; and the Senate agree to the same.

Amendment numbered 43: That the House recede from its disagreement to the amendment of the Senate numbered 43, and agree to the same with an amendment as follows: Strike out the matter proposed to be stricken out and in lieu of the matter proposed to be inserted by the Senate amendment insert the following: "(g)"; and the Senate agree to the same.

Amendment numbered 59: That the House recede from its disagreement to the amendment of the Senate numbered 59, and agree to the same with an amendment as follows: On page 17, line 19, of the Senate engrossed amendments immediately after "President," insert the following: "and any other local currencies owned by the United States in amounts not to exceed the equivalent of \$50 per day per person exclusive of the actual cost of transportation"; and the Senate agree to the same.

Amendment numbered 61: That the House recede from its disagreement to the amendment of the Senate numbered 61, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"PART V—RELIGIOUS PERSECUTION

"SEC. 501. It is the sense of the Congress that the United States deeply believes in the freedom of religion for all people and is opposed to infringement of this freedom anywhere in the world. The Congress condemns the persecution of any persons because of their religion. It is further the sense of Congress that all persons should be permitted the free exercise of religion and the pursuit of their culture."

And the Senate agree to the same.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
EDNA F. KELLY,
WAYNE L. HAYS,
W. S. MAILLIARD,
PETER H. B. FRELINGHUYSEN,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
MIKE MANSFIELD,
Per J. W. F.
BOURKE B. HICKENLOOPER,
GEORGE D. AIKEN,
Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11380) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

I. TECHNICAL AMENDMENTS

The following Senate amendments made technical, clerical, clarifying, or conforming changes: 5, 8, 10, 11, 12, 15, 17, 20, 23, 25, 28, 30, 31, 38, 40, 42, 43, 49, 50, 51, 53, 56, and 57. With respect to these amendments (1) the House either recedes or recedes with amendments which are technical, clerical, clarifying, or conforming in nature; or (2) the Senate recedes in order to conform to other action agreed upon by the committee of conference.

II. AUTHORIZATION OF FUNDS

The House bill authorized the appropriation of \$2,126,472,400 while the Senate amendment authorized \$2,076,600,000, a reduction of \$49,872,000. In addition to these new authorizations of funds, there is authorization in the law for funds for development loans, for Alliance for Progress loans, and for Department of State expenses in

connection with the administration of the program.

The following amendments pertaining to the authorization of funds were in disagreement between the two Houses.

Amendment No. 6, technical cooperation: The House bill authorized \$224,600,000; the Senate amendment, \$215,000,000. The committee of conference recommends \$215,000,000.

Amendments Nos. 13 and 14, surveys of investment opportunities: The House bill authorized \$2,100,000; the Senate amendment, \$2,000,000. The committee of conference recommends \$2,100,000.

Amendment No. 18, international organizations and programs: The House bill authorized \$134,272,400; the Senate amendment, \$134,400,000. The committee of conference recommends \$134,272,400.

Amendment No. 21, supporting assistance: The House bill authorized \$405,000,000; the Senate amendment, \$374,700,000. The committee of conference recommends \$405,000,000.

Amendment No. 26, military assistance: The House bill authorizes \$1,055,000,000; the Senate amendment, \$1,045,000,000. The committee of conference recommends \$1,055,000,000.

Amendment No. 45, limitation on aggregate authorization for use in fiscal year 1965: The Senate amendment added a new section 620A to the act limiting to \$3,250,000,000 the aggregate of the total amounts authorized to be appropriated for use in fiscal year 1965 for furnishing assistance and for administrative expenses under the act. The Senate amendment also contained a proviso authorizing an additional appropriation of \$50,000,000 to be used to donate domestically produced meat and other protein foods to school lunch programs abroad.

The Senate recedes.

The following table shows the differences between the House bill and the Senate amendment, the sums agreed to by the committee of conference, and the administration appropriation request for programs authorized in this bill and in existing law.

	Executive appropriation request (1)	House bill (2)	Senate amendment (3)	Conference agreement (4)
Part I: Economic:				
Chapter 2: Development assistance:				
Title I: Development loans.....	\$922,200,000	(1)	(1)	(1)
Title II:				
Technical cooperation, development grants.....	224,600,000	\$224,600,000	\$215,000,000	\$215,000,000
American schools and hospitals.....	18,000,000	18,000,000	18,000,000	18,000,000
Title IV: Surveys of investment opportunities.....	2,100,000	2,100,000	2,000,000	2,100,000
Title VI:				
Alliance for Progress loans.....	465,000,000	(1)	(1)	(1)
Alliance for Progress grants.....	85,000,000	85,000,000	85,000,000	85,000,000
Chapter 3: International organizations.....	134,400,000	134,272,400	134,400,000	134,272,400
Chapter 4: Supporting assistance.....	405,000,000	405,000,000	374,700,000	405,000,000
Chapter 5: Contingency fund.....	150,000,000	150,000,000	150,000,000	150,000,000
Part II: Military	1,055,000,000	1,055,000,000	1,045,000,000	1,055,000,000
Part III:				
Administrative expenses, AID.....	52,500,000	52,500,000	52,500,000	52,500,000
State Department.....	2,900,000	(1)	(1)	(1)
Total	3,516,700,000	2,126,472,400 3 (3,516,572,400)	2,076,600,000 3 (3,466,700,000)	2,116,872,400 3 (3,506,972,400)

¹ Previously authorized.

² The Senate amendment added a new section 620A to the act which limited the total authorization for appropriations to \$3,250,000,000. An additional \$50,000,000 was authorized to be appropriated for the purchase of meat and related products.

³ This total includes sums for programs previously authorized that are included in the total for col. 1. This figure is shown for purposes of comparability.

III. AMENDMENTS FROM WHICH THE SENATE RECEDED

Amendment No. 1: Statement of policy

The Senate amendment included a new paragraph to be added to the statement of policy of the act. The added language states that it is the policy of the United States to encourage the efforts of American institutions of higher learning in programs of development and research in the less developed friendly countries and to strengthen the partnership between the U.S. Government and these institutions by all available means including increasing and facilitating interchange of personnel.

The House bill did not contain this provision.

The Senate recedes.

Amendments No. 3 and No. 16: Appropriation of loan receipts

The Senate amendments amended sections 203 and 253 of the act to subject the authority of the President to relend receipts from development loan funds and from Alliance for Progress loans to the annual appropriation of such receipts.

The House bill did not contain similar provisions.

The managers on the part of the Senate accepted the argument in opposition that section 117 of the Foreign Aid and Related Agencies Appropriation Act, 1964, already subjects development loan receipts, and receipts from Alliance for Progress loans to the

appropriation requirement. Section 117 is a permanent provision of law, the continued validity of which is not dependent upon annual reenactment.

The Senate recedes.

Amendment No. 4: International Development Association

The Senate amendment repealed section 205 of the act, which authorizes the President to lend up to 10 percent of development loan funds to the International Development Association (IDA) for use by the IDA pursuant to the International Development Association Act (Public Law 86-565) and the IDA articles of agreement if the President determines that such action would more effectively serve the purposes of the Development Loan Fund.

The House bill contained no comparable provision.

The Senate recedes.

Amendment No. 9: Exclusions from loss covered by extended risk guarantee

The Senate amendment amended section 221(b)(2) of the act to exclude from the kinds of loss covered by extended risk guarantees, losses attributable to an "action not meeting a standard of reasonable business prudence for which the investor is responsible."

The House bill did not contain a similar provision.

The committee of conference noted that section 221(b)(2) already excludes losses

"arising out of fraud or misconduct for which the investor is responsible." The difficulty inherent in drafting a statutory definition of "a standard of reasonable business prudence" was also recognized. It was the opinion of the committee of conference that this matter should be dealt with by administrative action and that the factor of reasonable business prudence should be taken into consideration by the executive branch in administering the investment guarantee program.

The Senate recedes.

Amendments Nos. 18 and 19: Contributions to international organizations for use for voluntary service programs

The House bill added to section 302 of the act a provision that none of the funds available to carry out chapter 3 of part I of the act may be contributed to an international organization or a foreign government or agency thereof to pay the costs of operating or developing any volunteer programs which are related to the selection, training, and programing of volunteer manpower. The House bill also reduced chapter 3 authorization by \$127,600 for the purpose of limiting the U.S. contribution to the International Secretariat for Volunteer Service to \$22,400, an amount sufficient to finance, on a 40-percent matching basis, the information clearinghouse functions of the Secretariat.

Senate amendment No. 19 struck out the House language and substituted therefor a provision that none of the funds available to carry out chapter 3 may be used for contributions (1) to the International Secretariat for Volunteer Service or any similar international organization for use by it to pay the costs of developing or operating any volunteer service or other Peace Corps-type program of any foreign government or agency thereof, or (2) to any volunteer service or other Peace Corps-type program administered by such international organization. Senate amendment No. 18 also authorized the full amount requested by the executive branch for chapter 3, thereby making possible a U.S. contribution to the International Secretariat for Volunteer Service of \$150,000.

The Senate recedes in both instances.

The committee of conference is of the opinion that the U.S. contribution to the International Secretariat for Volunteer Service should be limited to \$22,400, on a 40-percent matching basis. Such a contribution should enable the International Secretariat to perform its information clearinghouse function. At the same time, the agreed language would not authorize contributions to the Secretariat for technical assistance to Peace Corps-type programs of any international organization or foreign government.

Amendment No. 22: Earmarking of supporting assistance funds for Vietnam

The House bill added a new sentence at the end of section 402 of the act, providing that not less than \$200 million of the supporting assistance funds for fiscal year 1965 may be available solely for use in Vietnam, unless the President determines otherwise and promptly reports his determination to the Congress.

The Senate amendment struck out this provision.

The Senate recedes.

The committee of conference agreed that while the earmarking of foreign assistance funds for particular countries generally is undesirable, the special circumstances of Vietnam warrant an exception in this case. There is little likelihood that the United States will furnish less than \$200 million of supporting assistance to Vietnam in fiscal year 1965. Further, the language of the House bill, while according special recognition to the U.S. effort in Vietnam, allows the

President adequate flexibility. The committee of conference wants to go on record, however, that this action should not be construed as establishing a precedent for the earmarking of foreign aid funds in the future.

Amendments Nos. 24 and 29: Military credit sales guarantees

The House bill amended chapter 2 of part II of the act, which relates to military assistance, in two respects:

First, it added a new subsection (e) to section 503 of the act authorizing the President to guarantee individuals and firms doing business in the United States against political and credit risks of nonpayment arising in connection with credit sales of defense articles and services which they finance to friendly foreign countries and international organizations; and

Second, it added a new subsection (b) to section 509 of the act, authorizing the President to employ the services of private firms in connection with the issuance and servicing of such guarantees, and the adjustment of claims arising under them. The proposed subsection (b) further provided that guarantees issued pursuant to part II of the act would be considered contingent obligations backed by the full faith and credit of the United States, that obligations were to be recorded against funds available for credit sales under part II of the act in an amount equivalent to 25 percent of contractual liability related to such guarantees, and that the funds so obligated, together with fees and premiums directed to be charged in conjunction with the issuance of such guarantees, would constitute a single reserve for the payment of claims.

Senate amendments No. 24 and No. 29 struck out both of the above-described provisions of the House bill.

The Senate recedes.

Amendment No. 27: Earmarking of military assistance funds for Vietnam

The House bill added a new sentence at the end of section 504(a) of the act providing that not less than \$200 million of the military assistance funds for fiscal year 1965 may be available solely for use in Vietnam, unless the President determines otherwise and promptly reports his determination to the Congress.

The Senate amendment struck out this provision.

The Senate recedes.

The views of the committee of conference on Senate amendment No. 22 apply also with respect to this amendment.

Amendment No. 34: Study of incentives to private enterprise

The Senate amendment added a new subsection 601(b)(7) to the act, directing the President to study the feasibility of establishing tax and other incentives for private enterprise to help develop the economic resources and productive capacities of less developed countries.

The House bill did not contain a comparable provision.

The Senate recedes.

Amendment No. 36: Encouragement of utilization of U.S. engineering and professional firms

The House bill added a new subsection (d) to section 601 of the act, relating to encouragement of free enterprise and private participation. The new subsection expressed the sense of the Congress that the Agency for International Development should continue to encourage the use of engineering and professional services of U.S. firms or their affiliates in financing capital projects.

The Senate amendment struck out this provision of the House bill.

The Senate recedes.

Amendment No. 37: Special price test for petroleum products financed under the foreign assistance program and barter agents' commissions

The Senate amendment added a new proviso to section 604(b) of the act, establishing a new price test for petroleum products financed under the foreign assistance program. It would preclude the supplier of petroleum products from charging a price in excess of the price he charges in comparable export sales from the source country at the time of sale. The comparable export sales price test would not apply to purchases under formal competitive bids or to commodities traded on exchanges. In determining the supplier's "comparable export sales price," sales to affiliates would be excluded.

The Senate amendment also added a new subsection (e) to section 604 of the act, providing that no funds available under the act shall be used to pay a barter agent's commission or other servicing charge or disposal fee when commodities furnished to an aid recipient country are procured through barter arrangements. Any such commission, charge, or fee would have to be paid by the supplier of the commodities so procured or by the recipient country.

The House bill did not contain comparable provisions.

The Senate recedes.

The committee of conference took note of the fact that no hearings have been held before the Committee on Foreign Relations or the Committee on Foreign Affairs on the proposals embodied in the amendment. Further, the committee of conference was informed by the executive branch that the amendment is based on assumptions which are incorrect and that it would not result in economies in the administration of foreign aid. Because of the complexity of issues involved, and the potentially far-reaching effects of the amendment on the administrative burden on AID, the committee of conference believes that the proposed changes should receive thorough study by the appropriate authorizing committees of the Congress.

Amendment No. 41: Aid to Indonesia

The Senate amendment amended section 620(j) of the act to provide that no further U.S. assistance shall be furnished to Indonesia under the act or any other provision of law and that all Indonesian military or police trainees now in the United States shall be notified of the immediate termination of such training and no other training of Indonesian nationals initiated.

The House bill did not contain a similar provision.

The committee of conference took note of the fact that section 620(j) of the act already prohibits aid to Indonesia unless the President determines that the furnishing of such assistance is essential to the national interest of the United States. The act also requires the President to report fully and currently to both Houses of the Congress on any assistance furnished to Indonesia. The committee of conference agreed that because of the fluid situation in southeast Asia and the Pacific, and in order to assure most effective use of foreign aid to serve U.S. foreign policy and security interests, the President should be allowed to retain this minimum degree of flexibility.

The Senate recedes.

Amendment No. 46: Initial assignment of foreign service personnel to Washington positions

The House bill amended section 625(d)(2) of the act to authorize the initial assignment of up to 20 AID foreign service personnel to Washington positions at any one time prior to assignment overseas.

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The Senate amendment increased that number to 30.

The Senate recedes.

Amendments Nos. 47 and 48: Selection-out and separation authorities

Senate amendment (No. 47) amended subsection (e) of section 625 of the act to extend to other AID personnel the existing selection-out authority which is presently applicable only to AID foreign service personnel. Certain specified categories of personnel were excepted.

Senate amendment (No. 48) added a new subsection (j) to section 620 of the act authorizing the President to separate, notwithstanding any other provision of the law, a maximum of 100 employees of AID in the upper grades during each of the 2 years commencing with the effective date of the bill.

The House did not contain comparable provisions.

The Senate recedes. The committee of conference recognizes that there is need to strengthen the personnel structure and personnel policies of AID. On the other hand, the Senate version proposed a remedy that for the present was regarded as far reaching. The burden rests with AID to improve its personnel practices through the more rigorous and thorough application of existing laws and regulations. The problem should be kept under close and continuing review by the Congress.

Amendment No. 54: Compensation of experts and consultants

The House bill amended section 626(a) of the act to increase the maximum compensation that may be paid experts and consultants performing functions under the act from \$75 per day to \$100 per day.

The Senate amendment struck out this provision.

The Senate recedes.

Amendment No. 55: Loyalty affidavits

The Senate amendment added a new section 639 to the act stipulating that no funds under that act shall be used to make payments under any contract between the United States or any aid recipient and any individual U.S. citizen, U.S. corporation, or foreign corporation owned by U.S. citizens, unless such individual or the principal officers of the corporation file an affidavit that they do not believe in and are not members of or support any organization that believes in the violent overthrow of the U.S. Government.

The House bill contained no comparable provision.

The committee of conference noted that with respect to contracts involving the service of U.S. citizens overseas, full protection of U.S. interests is given by section 111 of the Foreign Aid and Related Agencies Appropriation Act and by AID's own regulations. Section 111 of the appropriation act provides that none of the funds available under the act shall be used to make payments with respect to any contract for the performance of services outside the United States by citizens who have not been investigated for loyalty and security in the same manner as if they were regularly employed by the United States. AID regulations go beyond this to require that all domestic nongovernment personnel must be cleared if their positions are sensitive, even if they do not have access to classified information.

The Senate recedes.

Amendment No. 58: The Powazki Cemetery in Warsaw, Poland

The Senate amendment added a new subsection (sec. 648(b)) authorizing the President, as a demonstration of good will on the part of the people of the United States for the Polish people, to use foreign currencies that have accrued to the U.S. Government under the Foreign Assistance Act or any

other act, for assistance in the repair, rehabilitation, improvement, and maintenance of the Powazki Cemetery in Warsaw, which serves as a burial place for thousands of Polish resistance fighters who fell in the Warsaw uprising of 1944. The exercise of this authority was made subject to the provisions of section 1415 of the Supplemental Appropriations Act, 1953.

The House bill did not contain this provision.

The Senate recedes.

Amendment No. 60: Sense of Congress on proceedings for reapportionment of State legislatures

The Senate amendment added a new section to the bill (sec. 403) which expresses the sense of Congress that, in any case where a district court of the United States has ordered reapportionment of either house of a State legislature to conform with constitutional requirements regarding representation, such State legislature should be allowed the length of time of a regular legislative session plus 30 days, but not to exceed 6 months, to comply. The section also expresses the sense of Congress that in such cases the next election of members of the State legislature should be conducted in accordance with the laws of such State in effect September 20, 1964. If such a State fails to apportion representation within such time limitation, it is declared to be the sense of Congress that the district court having jurisdiction shall apportion representation in such legislature among appropriate districts so as to conform to the constitution and laws of such State insofar as is possible consistent with the requirements of the Constitution of the United States.

The House bill did not contain a comparable provision.

The Senate recedes.

IV. AMENDMENTS FROM WHICH THE HOUSE RECEDED

Amendment No. 2: Interest rates on loans

The Senate version added to the act a requirement that, except for loans already authorized or committed, no development loans may be made (1) in the case of commercial loans at an interest rate of less than one-fourth of 1 percent above the average annual interest rate on U.S. interest-bearing obligations as of the end of the fiscal year preceding the year in which the loan application is filed (i.e., as of June 30, 1964, approximately 3½ percent), or (2) in the case of noncommercial loans at an interest rate of less than 2½ percent per year. In addition, the Senate version required that with respect to commercial loans principal payments may only be deferred until the productive enterprise or facility which is the subject of the loan commences operation and becomes available for operation. Thereafter principal payments shall become due at annual intervals and full payment must be made in no less than 25 years. Noncommercial loans must be paid in "regular installments" within 25 years. The amendment defines "commercial loans" as loans made for the development of productive enterprises or for facilities directly used in productive enterprise, such as equipment, machinery, supplies, materials, or land. "Noncommercial loans" are all other loans. By reason of section 251(b) of the act the Senate version would also apply to Alliance for Progress loans.

The House bill contained no comparable provision.

The House recedes with an amendment that raises the interest rate on loans during the 10-year grace period from three-fourths percent per annum to 1 percent per annum and raises the minimum interest rate for the life of the loan following the grace period from 2 percent to 2½ percent per annum. Such rates would not be effective on funds authorized or committed to be loans prior

to the effective date of the Foreign Assistance Act of 1964. These terms will also apply to Alliance for Progress loans.

The committee of conference weighed the appeal for stiffer loan terms against the more important consideration that borrowing countries not be encouraged to pursue irresponsible debt practices. Prudence requires that such nations not be burdened with unduly high loan costs until their development is sufficient to finance their debts. Any severe increase in the costs of loans would only increase the possibilities of default which would have serious consequences not only for foreign governments and international financial institutions that had loaned the money but also for private investors, many of whom are U.S. citizens.

At the same time the committee of conference noted the trend by other foreign lenders to lower their interest terms and extend the maturities and grace periods. The amendment agreed to by the committee of conference brings U.S. terms closer to those of such lenders. The language in existing law and that in the amended language accepted by the committee of conference sets minimum loan terms. It was noted that the United States has set terms for its loans above the minimum wherever the capacity of the borrower permits.

The conferees agreed that some hardening of minimum loan terms is appropriate. Further, the conferees urge AID to require interest rates above the minimum whenever possible in view of the balance-of-payments position of the borrowing country.

AID is launching a study of the relationship of U.S. lending terms to the development efforts in various countries, to the lending policies of other donor countries, and to the very serious problem of rapidly mounting debt service burdens. The Congress will have an opportunity early next year to consider the full implication of this study.

Amendment No. 7: Feasibility study of used equipment program

The Senate amendment added a new section (sec. 217) authorizing the President to use technical cooperation/development grant funds to study the feasibility of establishing a program for furnishing less developed friendly countries with used tools, machinery, and other equipment to be donated by private enterprises or acquired through normal channels of trade. The purpose would be to determine how such programs may be utilized by and contribute to the economic development of the receiving country. The President is required to report to the Congress at the earliest practicable date on the results of such study, together with recommendations.

The House recedes.

The managers on the part of the House were concerned that the use of old equipment, unless fully and carefully rehabilitated, could result in costly and unnecessary delays, but agreed to the Senate language authorizing a study and investigation to determine the feasibility of such programs. Such a study should involve neither expense nor excessive time because of reviews which have already been conducted by the Agency for International Development over the past several years.

Amendment No. 32: Special certification for military assistance

The Senate amendment added a new section 513 to the act to require either (a) that the appropriate chief of U.S. Military Advisory Group, or a corresponding officer, certify in writing at least 6 months prior to delivery that a recipient country or international organization has the capability to utilize effectively any defense articles which the United States proposes to furnish, or (b) that the Secretary of State, the Secretary of Defense, or certain designees, determine with respect to defense articles in approved programs that

it is necessary to furnish the defense articles in the absence of such certification and specifically give advance approval to the furnishing of the defense articles. In addition, the Secretary of State would be required to make a complete report of each such determination and approval and the reasons therefor to the Speaker of the House of Representatives and to the Senate Committees on Foreign Relations and Appropriations. The section would not apply to military sales under section 507 of the act.

The House bill contained no comparable provision.

The House recedes with amendments which limit the application of this section to any single defense article having a value in excess of \$100,000. The purpose of this new section is to discourage the furnishing of military equipment to countries where it cannot be used effectively. Numerous instances were reported where sophisticated and costly equipment was incapable of use either because related and necessary component parts were not provided, requirements had changed in the interval between approval of the program and the delivery date, or the recipient country itself lacked the skill or organization to use the equipment. While the managers on the part of the House recognized the persuasiveness of these arguments, they were reluctant to increase the paperwork and man-hours devoted to clearing hundreds of small items. The act already includes a definition of value. For example, rifles and trucks would not require a certification whereas aircraft and costly electronic equipment, if it has a unit value of more than \$100,000, would be covered by the language in this section.

Amendments Nos. 33 and 35: Advisory Committee on Private Enterprise in Foreign Aid

The House bill amended section 601(c) (5) of the act to raise from \$50,000 to \$100,000 the authority to use funds otherwise available under the act for the expenses of the Advisory Committee on Private Enterprise in Foreign Aid.

The Senate amendments struck the House language raising the limitation on expenses of the Committee to \$100,000 (No. 33), but retained the termination date of June 30, 1965, contained in the House bill (No. 35).

The House recedes.

The legislative history of this provision makes clear that only the direct costs of the members of the Committee are to be charged to the statutory ceiling. Such costs of backstopping the Committee operations as may be incurred by AID are not charged against the ceiling. The limitation of \$50,000 is adequate for the work of the Committee.

Amendment No. 39: Expropriations by foreign states

The Senate amendment added a new paragraph (2) to subsection 620(e) of the act, providing that no U.S. court shall refuse, on the ground of the "act of state" doctrine, to examine the validity of acts of foreign states occurring after January 1, 1959, which are alleged to be contrary to international law, unless the President determines and notifies the court that application of the "act of state" doctrine is required by U.S. foreign policy interests.

The House bill did not contain a comparable provision.

The House recedes with an amendment.

The managers on the part of the House regretted that there had not been an opportunity for thorough study and full hearings on the subject. The committee of conference amended the Senate language to pinpoint its precise effect, making it clear that it does not apply if no violation of international law principles is found, or if the case involves a short-term irrevocable letter of credit issued in good faith prior to the taking of property by a foreign state. The

exception in those individual cases in which the President determines that judicial review of the foreign government's action is not in the U.S. foreign policy interests is preserved. An additional change was added to limit the application of the amendment to cases in which the proceedings are commenced before January 1, 1966. This limitation was approved with the understanding that the congressional committees concerned will make a full review and study of the matter during the next Congress and make a determination on the need for permanent legislation.

Amendment No. 44: Productive enterprise

The House bill added a new subsection (n) to section 620 of the act providing that no assistance should be furnished for the construction or operation of any productive enterprise abroad unless the President determined that similar productive enterprises in the United States were operating at a substantial portion of their capacity and such assistance would not result in depriving such U.S. enterprises of their reasonable share of world markets.

The Senate amendment deleted this provision of the House bill.

The House recedes.

The managers on the part of the House accepted the Senate amendment after full consideration of the argument advanced in opposition that section 620(d) of the act already provides adequately for the protection of U.S. industry by requiring the administrators of the foreign assistance program to make arrangements with countries where U.S. assistance is provided for the construction or operation of productive enterprises to limit competition of such enterprises with U.S. industry.

Amendment No. 52: U.S. representative to the Inter-American Committee on the Alliance for Progress

The House bill added a new subsection (k) to section 625 of the act, relating to the employment of personnel. The new language would authorize the President to appoint or assign a U.S. citizen to be the U.S. representative to the Inter-American Economic and Social Council (IA-ECOSOC) and to be the U.S. representative to the Inter-American Committee on the Alliance for Progress. Provision for compensation for such officer was also included.

The Senate amendment deleted the reference to the IA-ECOSOC, thus authorizing the President to appoint or assign a representative only to the Inter-American Committee on the Alliance for Progress under the authority of the new section.

The House recedes.

When the House had the bill under consideration, the Executive contemplated that one individual would serve as U.S. representative to both organizations. Subsequently, the Executive changed its request to provide the special authority only for the U.S. representative to the Inter-American Committee on the Alliance for Progress.

Amendment No. 59: availability of foreign currencies

The Senate amendment added to section 502(b) of the Mutual Security Act of 1954, as amended, a provision which would restrict the use of foreign currencies by appropriate committees of the Congress engaged in carrying out their duties under section 136 of the Legislative Reorganization Act to those currencies "which are in excess of the amounts reserved under section 612(a) of the Foreign Assistance Act of 1961, as amended, and of the requirements of the United States Government in payment of its obligations outside the United States, as such requirements may be determined from time to time by the President."

The House Bill contained no comparable provision.

The House recedes with an amendment, which, while retaining the Senate language, places a limitation on the use by appropriate committees of the Congress of local currencies not covered by the Senate language.

Amendment No. 61: Religious persecution

The Senate amendment added a new section to the bill (sec. 501) which expresses the sense of the Congress that the United States deeply believes in freedom of religion for all people and is opposed to infringement of this freedom anywhere in the world. The Senate amendment further declares that there is evidence that the Government of the Soviet Union is persecuting Jewish citizens by singling them out for extreme punishment for alleged economic offenses and by infringement of their freedom of religious observance, and that the Soviet Union has a responsibility to the nations of the world to match its constitutional guarantees of freedom of religion with specific action. Finally, the amendment expresses the sense of the Congress that religious persecution in the Soviet Union be condemned and that the Soviet Union in the name of decency and humanity cease the enumerated acts of persecution.

The House bill did not contain any comparable provision.

The House recedes with an amendment which expresses the consensus of the committee of conference that the religious persecution of peoples of all faiths, and the infringement of their freedom of religious observance, is repugnant and to be condemned.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
EDNA F. KELLY,
WAYNE L. HAYS,
WILLIAM S. MAILLIARD,
PETER H. B. FRELINGHUYSEN,
Managers on the Part of the House.

GENERAL LEAVE TO EXTEND

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members who spoke on the extension of the continuing resolution have permission to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING JUNE 30, 1965, AND FOR OTHER PURPOSES

Mr. MAHON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12633) making supplemental appropriations for the fiscal year ending June 30, 1965, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. MAHON, THOMAS, KIRWAN, WHITTEN, ROONEY of New York, FOGARTY, JENSEN, HORAN, BOW, and LAIRD.

REQUEST FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 1633 AS SOON AS FILED

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it be in order to